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University Update - September 2019

Otterbein University

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OFFICE OF THE PRESIDENT

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September 12, 2019

Dear Colleagues,

I am thankful to be at Otterbein every day, but there are days where I am reminded just how special our community is. I've had days like those last week as we collectively mourned Nigel Chatman. I have been impressed by the student affairs staff as they've worked with his family and friends, the football team as they celebrated his life on and off the field, the coaching and athletic staff as they supported their students, and with all the faculty and staff who turned out in support – whether they had the good fortune of knowing Nigel personally or not.

It is always tragic to lose a young life, but you can also see the good that Nigel did at Otterbein through the way our community has come together.

While the other updates will seem less important now, Otterbein is always moving forward.

Enrollment

Census is next week, and we will have final enrollment numbers then. From our registration report of September 9th we have 2,422 undergraduate degree-seeking students this fall, up from 2,375 last fall. Of these, 727 are new – 633 first-years and 94 transfers. That is 67 more than last year (660) and more than what our budget called for (705). Again, congrats to the Enrollment staff and all those who helped these students find Otterbein!

That leaves 1,684 returning undergraduates, a few less than what we expected (1,695).

The tuition discount rate for new students is 59.6%, which is above last year's new student rate of 55.7%. The continuing student discount is 50.7%, compared to the budget expectation of 49.6%. Note that comparisons across years have different denominators (gross tuition rates), so even flat net tuition revenue will result in a higher discount rate.

Nonetheless, our climbing discount rate is concerning. It is also a national phenomenon. The NACUBO *Tuition Discount Study* shows discount rates at private, four-year non-profit institutions have increased every year since 2007-08. You might think that our increase in need-based aid (through the Opportunity Scholarship) is the cause, but it is not. Through an algorithm error, we over-awarded students choosing to live on campus. The error resulted in reduced

tuition revenue, but also helped to increase new student enrollment, and increased the number of new students choosing to live on campus by 58 over last year's entering class, overcoming a decline of continuing students in the residence halls.

Vice President for Enrollment Management Jefferson Blackburn-Smith and the Enrollment Management staff are looking at the distribution of aid in different merit categories and will be proposing some ways to better control our expenditure in this area without negatively impacting enrollment. A town hall is scheduled for September 26 from 3:30 pm – 5:00 pm in Towers 112 for this and other new plans.

The Graduate School enrollment is a bit harder to predict, given programs' different start times. But, we are projecting a \$750,000 decline in revenue despite an increase in credit hours. We have seen enrollment declines in the MBA, Education, and Family Nurse Practitioner programs.

We have relied on slow and steady increases in graduate enrollment over time and it seems this trend has reversed for reasons that are not yet apparent to me. I have asked Provost & Senior Vice President Wendy Sherman-Heckler to work with Barb Schaffner, Dean of the Graduate School and School of Professional Studies, and the Program Directors to understand the problem and propose solutions.

Survey

Watch your e-mail for a survey from Columbus CEO Magazine. We are taking advantage of their Best Places to Work process to gather feedback. The e-mail will come from "me," but is their standard form e-mail.

Campus Center

A town hall was held on September 10 to provide an update on our thinking about the Campus Center project. With a \$3 million contribution (a no-interest loan) from our new food service provider Parkhurst, we have around \$4.5 million towards the \$7.5 million we needed to raise. That is close enough to start seeking mid-major (six-figure) gifts and the Advancement team is organizing to that end.

Of concern to me is the part of the project that was going to be funded by \$10 million in new debt. New debt, of course, means new debt payments. As we look to balance the budget by FY22, the timing of this debt makes our challenge larger.

I asked Vice President for Business Affairs & CFO Susan Bolt and others to consider ways to approach the project differently. After meeting with architects and gathering ideas from others on campus, we have some new ideas. Specifically, much of the expense of the project involves moving the kitchen in a building that is poured-in-place concrete. If we build a new free-standing dining hall with the funding now available, we can phase the overall project, avoid \$1 million of expenses in a temporary kitchen, and consider how to utilize the freed space in the Campus Center (i.e. leaving the blackbox theater and centralizing student-focused services in the building).

Of course, there are many details to be worked out and we need your feedback. A synopsis of the Town Hall meeting is being prepared and will be shared soon.

Master Planning

I have received multiple questions/requests about renovating other campus facilities. Of course, we will continue to spend our annual capital budget of about \$2.5 million. But, I have advised others to hold off on planning for future large-scale projects. We will update the campus master plan once the Campus Center is complete (likely several years from now if we phase it).

I also have a sense of caution about creating plans (and the pretty pictures that come with them) without identifying the funding source(s) for the project. This just creates expectations that we may not be able to fulfill in the short term.

Strategic Planning Process

I'm grateful for the nearly 200 faculty and staff who were able to attend the Welcome Back Breakfast Celebration last month. We took advantage of our time together to solicit feedback on the proposed strategic planning process, review our current vision, mission, values, and guiding principles, and discuss a draft of six strategic priorities/institutional goals. The feedback was shared with the Planning Committee last week where the decision was made to endorse the vision, mission, values, guiding principles and strategic planning process with the understanding that we will revisit them on a regular basis. We are soliciting feedback from Student Government through a similar process at their meeting this evening. The next step is to present a recommendation to Senate on September 18 in preparation for the fall meeting of the Board of Trustees, which takes place on October 11-12.

Discussions related to the proposed strategic priorities/institutional goals will continue this fall. A sub-group of the Planning Committee will draft the RFP process and present to campus for discussion before it is finalized. We are creating a tab on My Ozone where information regarding the process will be made available. Stay tuned for more information as we work together in finalizing this important process.

Positions and Compensation

I am very thankful to the Faculty Personnel Committee and the Dean's Council for their review of the eleven requests for new or replacement faculty positions. As you may recall, we have four known vacancies for next year and are hiring for one in order to continue our progress towards a 13:1 student-to-faculty ratio.

Likewise, we eliminated three vacant staff positions in the past year and will do the same this coming year.

The Faculty Personnel Committee and several staff departments have made clear that these choices are painful. Our programs and services may have changed, been diminished or

eliminated as we reduce our number of employees through attrition. Yet, we all know we must also get to a balanced budget and 75% of our expenditures are in personnel.

That's the bad news. The good news is that we are fully funding the second year of our compensation plan, including 1% across-the-board increase and an additional \$700,000 in equity adjustments. The same is in the model for next year, and then we are planning for 2% salary increase pools in future years (FY22 and beyond) for use with the merit systems now under development.

I appreciate everyone's good work on all the issues above and countless other areas. Thank you, too, in advance for helping make our many guests attending Homecoming and Family Weekend on September 20-21 feel so welcome on campus. We're off to another good year thanks to you!

Sincerely,

A handwritten signature in black ink, appearing to read 'John Comerford', written in a cursive style.

John Comerford, Ph.D.
President